# Poor Man's Plan to Progress & Process

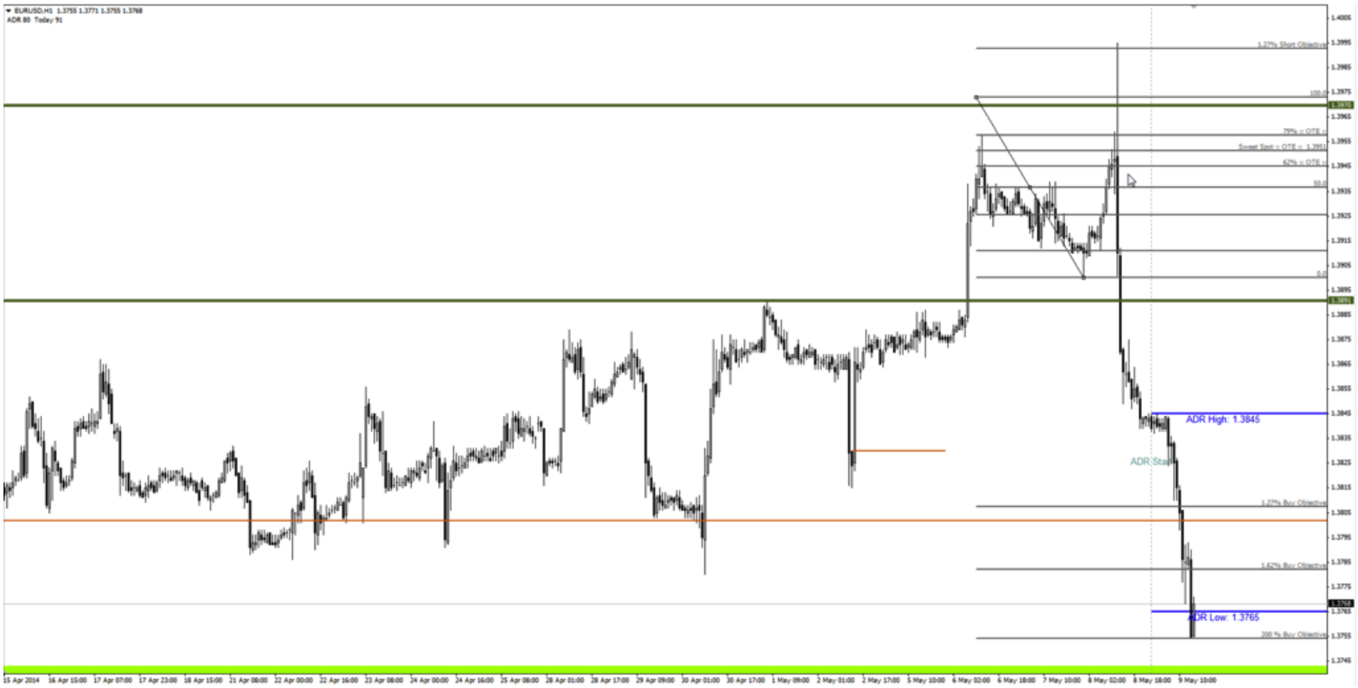
Sunday, May 11, 2014 12:27 AM

- Low-risk, high probability setups are derived from higher time frame perspectives. The large institutions and banks are basing the majority of their trades from these charts. Trends or order flow tends to remain for long periods and require more to change them. Framing retail trading ideas on the basis of the macro perspective is conducive for profits. The EMA's on weekly time frames will assist in higher odds order flow & order blocks. Trading in line with this view will greatly increase the likelihood of consistency & precision.
- Forex is the best asset class to be trading because it allows the form fitting of every personality that is available in trading.
- You should be learning something new about yourself as a trader every day. Are you learning something new about the market every single day?
- There is no pressure in you learning how to trade.
- 6% a month is an astronomical return. Many funds do not do this consistently.
- You more than double your account if you compound 6% a month over a year's time.
- You can trade foreign exchange in a self-directed IRA.
- Can you trade foreign exchange on a tax-deferred basis?
- Do not immediately view Forex as a replacement for your job. View it as a vehicle to help you get to a point of retirement.
- There's a lot of things you need to learn about yourself that you were not aware of before you started trading.
- Think about nothing besides the process.
- ICT aims for 50 pips a week or 200 pips a month.
- The money in your trading account should be geared towards retirement. You shouldn't touch it for a minimum of 10 years.
- If you extend your time horizons, stress levels drop precipitously.
- If you can get returns as low as 6% per month, you would be surprised how easy it is to get funding. They will literally fall right into your lap. That could be another vehicle to speed up the time it takes to become professional.
- Once you have drawn your key levels, you sit and you wait for price to trade to these levels. You have a reasonable expectancy of a reaction at those levels.
- When price trades to a level and then hangs around for a bit or stalls and retraces a little bit.. this is exactly when you want to pull out the reflection pattern. The Judas swing on the right side of the chart below is a good example:





- As long as a Judas Swing or a punch through a level of expected reaction doesn't violate all of the reflection pattern setups (62%, 70%, 79%) then it is in line with what you are expecting. A rally up in the example above.
- Below is the same example on a Fiber chart versus the USDX chart above:




- It takes a lot of guts to trade the pattern above.
- In fast markets, price usually doesn't get back to the highest high or lowest low that was made between the previous day 18:00 GMT and 0:00 GMT of the current day. You get these London open setups that look like they have no point of entry.



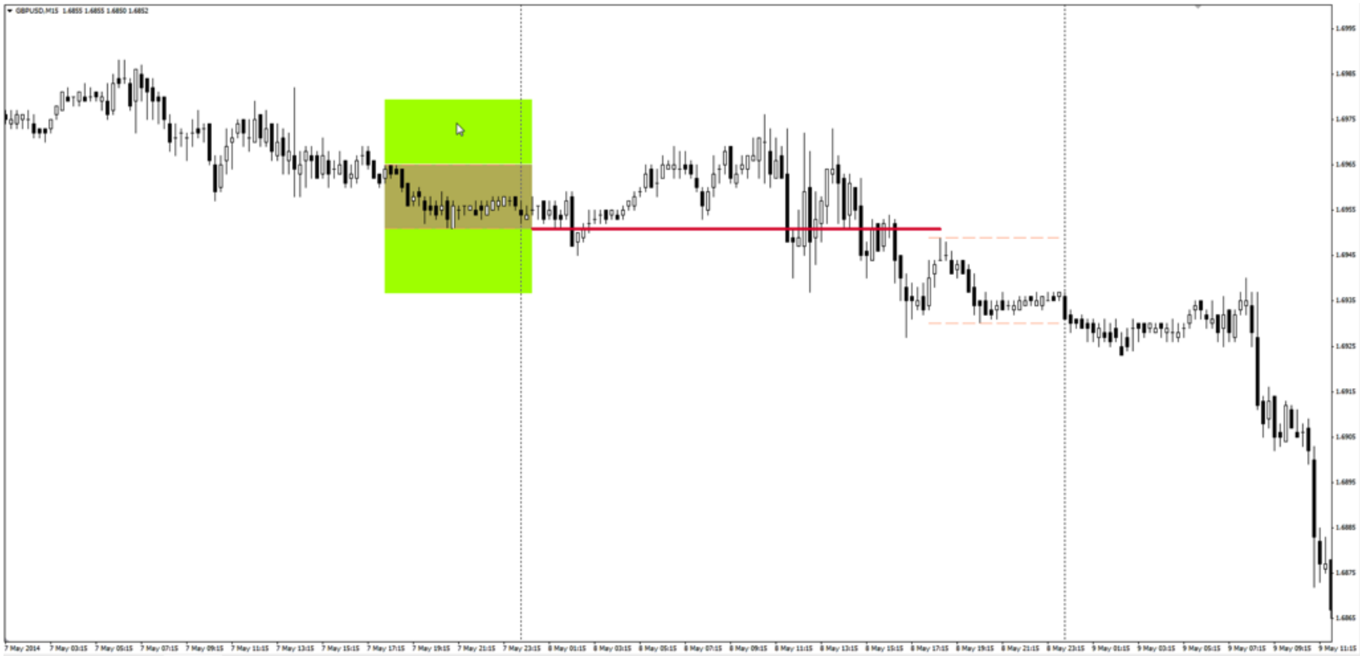
- With interest rate announcements going on, ~18:00 GMT is actually when the move started to set up in the example above.
- The administrative sides of the bank are establishing the new day's high or low between 18:00 - 0:00 GMT. They are doing this based on where pending orders are going to be resting above and below the market price.
- The Cable was catching up with what Fiber had already priced in which was lower prices.
- ICT already had in his head that the next day's London open was probably going to have very little retracement. When price started to rally at 18:00 GMT, he saw this as an opportunity to get in on the move. This is a special and rare example and only happens when there is an interest rate announcement:




- You should want to know what your mentors are thinking and not just what tools they are using to trade.
- The Fiber was dropping like crazy and the Cable was barely dropping, if even dropping at all so there was a break in correlation there. It gave trader's an opportunity to catch the drop in Cable as it caught up to the Fiber.
- It also became apparent to ICT that we were in a market maker sell model:



- 8:00 GMT is the sweet spot candle for London open. That candle is like magic if you are expecting something.
- As a seller, for the lowest risk and highest probability setup, price has to be above the Asian Range low.
- If you are bearish, you look for one standard deviation of the CDR (it can happen in London or New York). This is how far price will typically move AT LEAST as a Judas Swing. This will give you a buy or sell window:



- Directional premise is going to be a factor in the standard deviation of the CDR.
- In fast markets, you won't see the move above 1 standard deviation of the CDR. It will just trade inside the standard deviation of the CDR.